

DOES THE TRADEMARK DILUTION CAUSE OF ACTION MAKE ANY DIFFERENCE

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Dilution Statutes

- 15 U.S.C. 1125(c)
- 37 State Statutes

VICTORIA'S SECRET

- Supreme Court holding that Federal Trademark Dilution Act (FTDA) unambiguously requires a showing of **actual dilution** rather than a likelihood of dilution. *Moseley v. V Secret Catalog, Inc.* (2003)
- Led to enactment of FTDRA requiring showing of **likelihood of dilution**

FTDRA

15 U.S.C 1125(c)

- “the owner of a **famous mark** that is distinctive ... shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is **likely to cause** dilution by **blurring** or dilution by **tarnishment** of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”

DILUTION

ELEMENTS OF PROOF

- ownership of a famous mark that is widely recognized by the general consuming public
- Subsequent use by defendant of a mark or trade name that is likely to cause dilution by blurring or tarnishment of the famous mark

FAME

- “A mark is famous if it is widely recognized by **the general consuming public** of the United States as a designation of source of the goods or services of the mark’s owner.”

Fame Factors

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised/publicized by the owner or third parties
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark
- (iv) Whether the mark was registered on the Principal Register

Dilution by Blurring Defined

- “**association arising from the similarity** between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”

15 U.S.C. § 1125(c)(2)(B)

Blurring Factors

- (i) The degree of similarity between the mark or trade name and the famous mark
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to **create an association** with the famous mark
- (vi) Any **actual association** between the mark or trade name and the famous mark

DILUTION BY TARNISHMENT

“association arising from the similarity
between a mark or trade name and a
famous mark that harms the reputation
of the famous mark.” 15 U.S.C. §
1125(c)(2)(C).

DILUTION REMEDIES

- Injunctions

In an **action brought under this subsection**, the owner of the famous mark shall be entitled to **injunctive relief** as set forth in **section 1116**

DILUTION REMEDIES

- Damages

The owner of the famous mark shall also be entitled to **(monetary relief)** if

(1) the Defendant's mark or trade name was first used in commerce after October 6, 2006;
and

(2) the Defendant willfully intended to trade on the recognition of the famous mark;

Dilution Remedies for Pre Oct. 6, 2006 Cases

- Likelihood of Dilution Standard applies to claims for injunctive relief
- Actual Dilution Standard applies to claims for damages.

DILUTION DEFENSES

- Any fair use, including a nominative or descriptive **fair use**, or facilitation of such fair use, of a famous mark by another person **other than as a designation of source** for the person's own goods or services

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Dilution Defenses (cont'd)

including use in connection with--

(i) advertising or promotion that permits consumers to **compare goods** or services; or

(ii) identifying and **parodying, criticizing,** or **commenting** upon the famous mark owner or the goods or services of the famous mark owner

PARODY

- Can dilution liability be avoided if an alleged parody is used as a source identifying trademark?

Parody Not a Defense

“the claim of parody is not really a separate ‘defense’ as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to source, sponsorship or approval”

Schieffelin & Co (S.D.N.Y. 1989)

Parody – Question of Law

“[W]hether a work is a parody is a question of law, not a matter of public majority opinion.”.

Mattel, Inc (9th Cir. 2001)

Parody vs. Confusion

- “A nonconfusing parody of a famous mark is not trademark infringement.”

Jordache (D.N.M. 1985)

- “[O]ne may not appropriate the entire mark of another and avoid a likelihood of confusion by the addition thereto of descriptive or otherwise subordinate matter”.

American Express Co. (E.D.N.Y. 1991)

DILUTION CHECK LIST

- Plaintiff owns a famous mark that has inherent or acquired distinctiveness
- Plaintiff's mark is widely recognized by the general consuming public of the United States as a designation of source
- Defendant uses a mark or trade name that causes blurring or tarnishment of the famous mark
- Defendant began using its mark after the Plaintiff's mark became famous
- Defendant's Use Is Not Fair Use/Parody

FAME CHECK LIST

- Length of time during which the mark has advertised
- Extent or volume of advertising and publicity
- Geographic reach of advertising and publicity by the owner or others
- Volume of sales in dollars and units
- Geographic extent of sales
- Extent to which the mark is actually recognized by the consuming public
- Whether Plaintiff has a Principal Register

BLURRING CHECKLIST

- Degree of similarity between defendant's mark or trade name and famous mark.
- Degree of inherent or acquired distinctiveness of the famous mark.
- Extent to which famous mark is used substantially exclusively.
- Degree of recognition of the famous mark.
- Whether defendant intended to create an association with the famous mark.
- Actual association between the defendant's mark or trade name and the famous mark

TARNISHMENT CHECKLIST

- Degree of association in the minds of the consuming public between the defendant's mark or trade name and the famous mark
- Extent to which association arises from the similarity between the marks
- Extent to which association harms the reputation of the famous mark